TOBACCO BILL/Cloture, Commerce-2 Substitute (2nd Attempt)

SUBJECT: National Tobacco Policy and Youth Smoking Reduction Act...S. 1415. Dorgan motion to close debate on the Commerce Committee modified substitute amendment No. 2420.

ACTION: CLOTURE MOTION REJECTED, 43-55

SYNOPSIS: The "Commerce-2" committee substitute amendment (see NOTE in vote No. 142) to S. 1415, the National Tobacco Policy and Youth Smoking Reduction Act, will raise up to \$265.0 billion over 10 years and up to \$885.6 billion over 25 years from tobacco company "payments" (assessments) and from "look-back" penalties that will be imposed on tobacco companies if they fail to reduce underage use of tobacco products. Most of the money will come from the required payments (\$755.67 billion over 25 years). Additional sums will be raised from other fines and penalties on tobacco companies, and the required payments will be higher if volume reduction targets on tobacco use are not met. The tobacco companies will be required to pass on the entire cost of the payments to their consumers, who are primarily low-income Americans. By Joint Tax Committee (JTC) estimates, the price of a pack of cigarettes that costs \$1.98 now will rise to \$4.84 by 2007. The amendment will require the "net" amount raised, as estimated by the Treasury Department, to be placed in a new tobacco trust fund. (The net amount will be equal to the total amount collected minus any reductions in other Federal revenue collections that will occur as a result of increasing tobacco prices. For instance, income tax collections will decline because there will be less taxable income in the economy). The JTC estimates that the amendment will raise up to \$232.4 billion over 9 years, but only \$131.8 billion net. Extending the JTC's assumptions through 25 years, a total of \$514.2 billion net will be collected. The amendment will require all of that money to be spent; 56 percent of it will be direct (mandatory) spending. The Federal Government will give States 40 percent of the funds and will spend 60 percent. Medicare will not get any of the funding in the first 10 years unless actual revenues are higher than estimated in this amendment (in contrast, the Senate-passed budget resolution required any Federal share of funds from tobacco legislation to be used to strengthen Medicare; see vote No. 84).

(See other side)

YEAS (43)			NAYS (55)			NOT VOTING (2)	
Republicans (0 or 0%)	Democrats (43 or 96%)		Republicans (53 or 100%)		Democrats (2 or 4%)	Republicans Democrats (2) (0)	
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VOTE NO. 153 JUNE 10, 1998

On June 5, 1998, Senator Dorgan sent to the desk, for himself and others, a motion to close debate on the Commerce-2 substitute amendment.

NOTE: A three-fifths majority (60) vote of the Senate is required to invoke cloture.

Numerous amendments were pending at the time of the vote. See vote No. 154 for details.

For debate, see vote No. 150.